

weekly economic review

December 7, 2012

Labour Force Survey

Alberta posts strong job gains

Alberta created jobs for the fifth straight month, adding an impressive 10,100 in November. The monthly gain was the largest since April led by the accommodation and food services (+7,400) industry. On a year to date basis, employment in Alberta has increased by more than any other province, both in terms of the number of jobs added (58,600) and the rate of employment growth (+2.7%).

The impressive job creation in November helped lower Alberta's unemployment rate to a four year low of 4.2%.

Nationally, job creation rebounded to 59,300 in November from a dismal 1,800 jobs gained in October. Meanwhile, the unemployment rate dipped to 7.2%.

Building Permits

Value of building permits dip

The total value of building permits fell to the lowest level in three months in October. The value of building permits declined by 1.0% to \$1.2 billion. Residential building permits declined by 3.1%, which more than offset a 2.1% increase in non-residential building permits.

Despite two consecutive monthly declines, building permits were still up a solid 18.9% over October 2011, with both residential (14.2%) and non-residential building permits (26.7%) contributing to the gains. Year to date permits were up a robust 13.5% compared with the same period last year.

Nationally, the value of building permits was up 15.0% over the previous month and 19.7% over October 2011. Building permits are

an indicator of future construction activity.

US Employment

Job gains mask a modest job report

The US economy added 146,000 jobs in November, up slightly from 138,000 in October. Meanwhile, the unemployment rate edged down to 7.7% from 7.9% in October.

A closer look at the report reveals weaknesses not obvious from the headline numbers. While employment gains have remained above 100,000 for five months, gains in each of the last three months have been below the year-to-date average (151,000), which itself is lower than the 2011 average (153,000). In addition, estimates for September and October job growth were revised down by a combined 49,000 jobs. As for the decline in the unemployment rate, this was mostly

due to a 0.2 percentage point decline in the participation rate (63.6%).

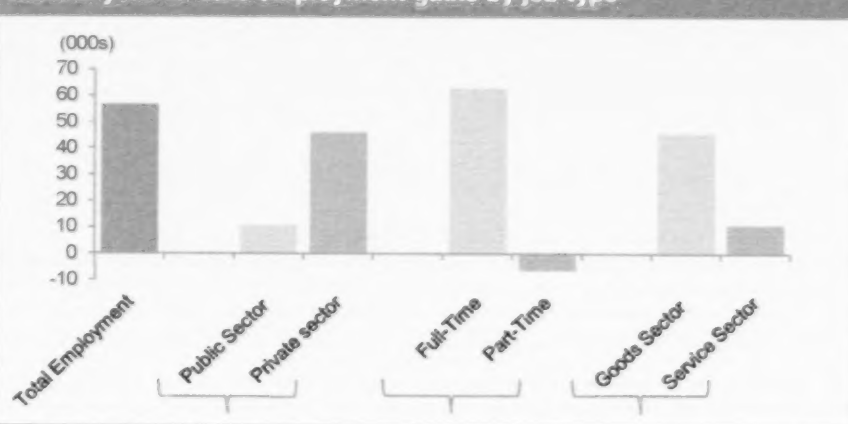
Some analysts were expecting weak job growth in November, because of Hurricane Sandy. However, initial analysis by the Bureau of Labour Statistics suggests that November employment was not significantly effected.

HSBC Purchasing Managers' Index (PMI) for China

Early indicator is a positive sign for Chinese manufacturing

China's manufacturing PMI registered 50.5 in November, which was above fifty for the first time in 13 months. A value over 50 indicates business conditions are improving. The increase was partly due to more new export orders, which some panelists linked to greater demand in the US and Europe.

Alberta year-to-date employment gains by job type



Source: Statistics Canada

Closing Prices	November 29, 2012	December 6, 2012	2012-13 Fiscal YTD
Canadian Dollar (USD/CAD)	100.70	100.91	100.01
WTI Oil (\$US/bbl)	\$88.07	\$86.26	91.51
NYMEX Natural Gas (\$US/MMBtu)	\$3.65	\$3.67	\$2.88

Alberta Economic Indicators¹

Population	2010	2011	2012YTD	Jun	Jul	Aug	Sep	Oct	Nov
Population (000s)	3,724	3,778	3,874		3,674				
% change	1.4	1.5	2.5		2.5				
Net International Migration ² (level)	-3,271	8,443	28,170		8,544				
Net International Migration (level)	24,100	16,403	37,990		14,546				
Net flow (permanent + temporary) (level)	14	7,604	9,721		5,244				
Labour Market									
NEW: Employment (000s SA)	2,017	2,094	2,148	2,144	2,160	2,154	2,156	2,161	2,171
% change	-0.4	3.8	2.7	2.7	2.2	-0.3	1.8	1.7	1.8
NEW: Unemployment Rate (% SA)	6.5	5.4	4.7	4.6	4.6	4.4	4.4	4.5	4.3
NEW: Participation Rate (% SA)	72.9	73.7	73.5	73.3	73.3	73.2	73.1	73.1	73.0
Average Weekly Earnings (\$ SA)	994.28	1,038.68	1,067.76	1,068.00	1,088.99	1,088.45	1,085.22		
% change	4.6	4.6	3.2	3.9	5.5	3.6	4.0		
Price Indices									
Consumer Price Index	1.0	2.4	1.3	1.3	0.9	1.0	1.4	0.6	
Excluding food and energy	0.8	0.8	1.4	1.6	1.8	1.4	1.3	1.2	
Non-Res. Building Cost Price Index ³	0.1	3.4	4.1	4.1			3.5		
NEW: Farm Product Price Index	-1.8	18.0	5.2	7.2	4.6	5.0	2.3		
Crops	-9.6	19.3	1.9	0.4	2.5	4.2	1.7		
Livestock	5.7	16.7	7.8	12.0	7.1	6.2	3.7		
Household Sector									
Housing Starts (SAAR, 000s)	27.1	25.7	33.0	31.9	33.9	29.3	32.7	33.1	
% change	31.5	5.1	33.5	45.5	31.5	-6.6	16.6	0.3	
New Housing Price Index ⁴	0.5	0.4	1.1	1.2	1.5	1.6	1.8		
Edmonton	0.8	0.9	0.9	0.8	0.8	0.9	1.3		
Calgary	1.7	0.1	1.3	1.7	2.3	2.4	2.9		
M/S Average Resale Price (\$ 000s)	350.9	352.7	361.0	360.5	361.1	363.9	361.8	360.2	
% change	3.1	0.5	2.1	2.7	3.2	3.6	0.7	4.8	
Edmonton (\$ 000s)	326.5	324.2	331.8	332.2	331.8	334.0	334.2	334.2	
% change	2.3	-0.7	2.3	3.7	1.2	2.9	2.1	2.3	
Calgary (\$ 000s)	397.4	401.9	408.4	410.2	413.5	410.9	410.2	429.5	
% change	3.4	1.1	1.3	2.3	3.1	1.8	0.0	8.5	
Retail Sales, SA	6.0	6.9	8.9	7.3	9.6	8.5	8.5		
New Motor Vehicle Sales	9.5	9.6	12.8	5.8	10.8	9.0	15.7		
Consumer Bankruptcies (level)	8,150	7,029	4,504	484	499	454	421		
% change	-18.4	13.8	-17.4	-5.4	8.4	-13.7	19.8		
Business Sector									
Rigs Drilling (level)	207	286	246	139	198	223	229	290	258
% change	68.1	30.4	-12.2	-7.3	17.5	10.9	33	29.6	21.8
Goods Exports (customs level)	12.6	18.5	4.1	1.1	0.6	8.8	0.0		
Energy	17.1	19.4	5.4	1.3	3.3	11.0	-8.3		
Farm, Fishing and Intermediate Food	-15.9	27.2	15.7	11.5	19.9	21.5	19.1		
Total Farm Cash Receipts (quarterly)	-3.7	15.2	15.0	8.4			8.8		
Manufacturing Shipments, SA	11.3	18.0	8.8	4.8	6.7	5.9	7.9		
Wholesale Trade, SA	8.5	15.0	13.6	10.7	12.6	9.7	7.4		
NEW: Building Permits, SA	1.3	11.8	13.5	13.3	0.1	11.0	6.1	18.9	
Residential	22.4	5.2	16.3	14.6	1.2	30.2	9.4	14.2	
Non-residential	-18.3	-20.9	7.7	11.5	1.5	10.4	1.4	-26.7	
Business Bankruptcies (level)	378	264	181	22	16	10	21		
% change	-6.7	-30.2	-8.1	37.5	6.7	-61.5	8.7		

YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted.

¹Unless otherwise indicated, all figures are year-over-year percentage change and not seasonally adjusted.

²Quarterly, annual numbers are presented on a census year basis (July 1-June 30).

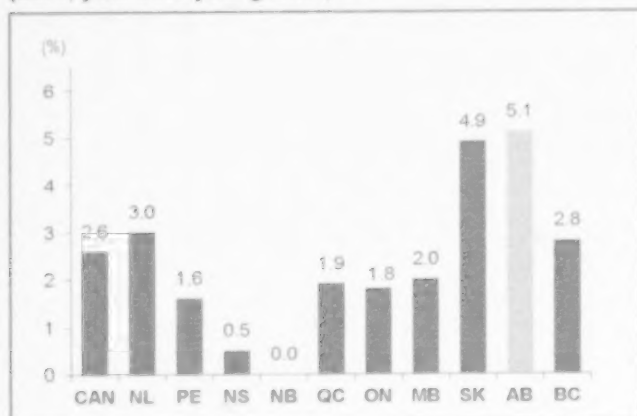
³Quarterly, average of Calgary and Edmonton.

⁴Average of Calgary and Edmonton.

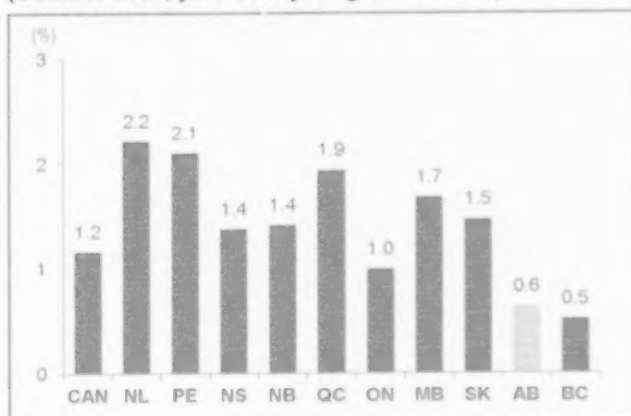
Sources: All data is from Statistics Canada (except Housing Starts (Canada Mortgage and Housing Corporation), M/S Average Resale Prices (Canadian Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (Office of the Superintendent of Bankruptcy Canada).

Economic Indicators by Province

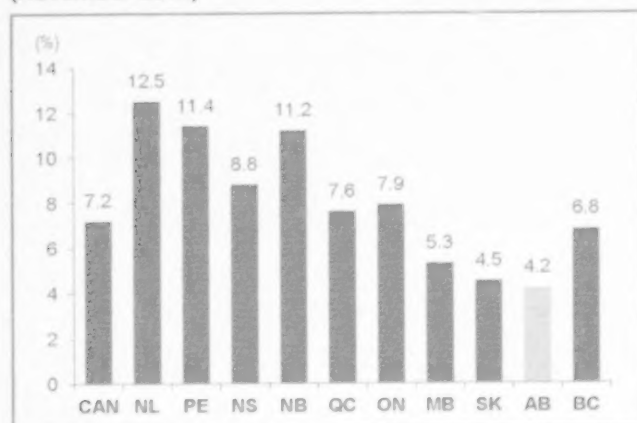
Real GDP Growth by Expenditure
(2011, year-over-year growth)



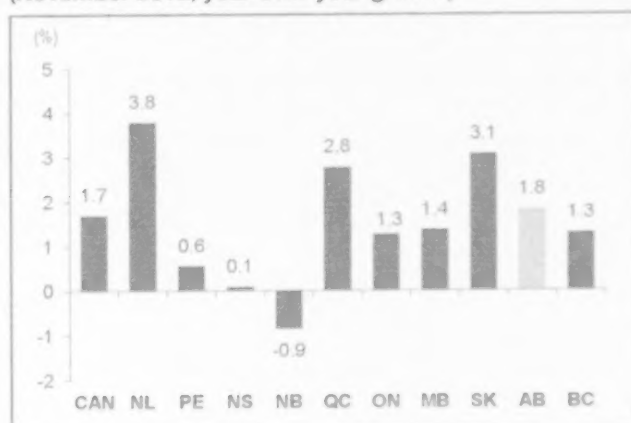
CPI Inflation
(October 2012, year-over-year growth in CPI)



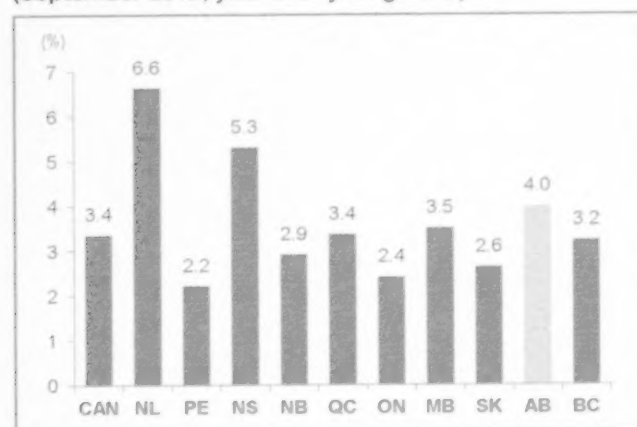
Unemployment Rate
(November 2012)



Employment
(November 2012, year-over-year growth)



Average Weekly Earnings
(September 2012, year-over-year growth)



Housing Starts
(October 2012, SAAR, year-over-year growth)

